

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Office of the Assistant Secretary for Community Planning and Development

[Docket No. N-95-3876; FR-3817-N-01]

Youthbuild: Notice of Funds Availability for Youthbuild Programs Fiscal Year 1995

AGENCY: Office of the Assistant Secretary for Community Planning and Development, HUD.

ACTION: Notice of Funds Availability for the FY 1995 Youthbuild Competition.

SUMMARY: This Notice of Funds Availability (NOFA) announces the availability of up to \$74.1 million of Fiscal Year 1995 program funds (including Fiscal Year 1994 funds that were merged with the 1995 appropriation) for grant assistance under the Youthbuild Program established by the Housing and Community Development Act of 1992. These funds will be awarded competitively. Both planning and implementation grants will be funded, but combined grants covering both types of awards will not be funded under this current competition. The body of this NOFA contains information on the following: the purpose of the NOFA, information regarding eligibility, available funding, the application process and selection criteria.

APPLICATION SUBMISSION: An original and one copy of the completed application for grant funds must be received in HUD Headquarters prior to close of business on May 8, 1995. Applications will be accepted at the following address: Processing and Control Unit, Office of Community Planning and Development, Department of Housing and Urban Development, 451 Seventh Street SW., Room 7255, Washington, DC 20410. ATTN: Youthbuild. At close of business on the deadline date, applications will be received at either room 7255 or the South Lobby of the Department of Housing and Urban Development at the above address.

Applications which are mailed prior to May 8, 1995, but not received until after the deadline will be deemed to have been received by the date if postmarked by the United States Postal Service by no later than May 5, 1995. Express delivery items received after May 8, 1995, will be deemed to have been received by the deadline upon submission of documentary evidence that they were placed in transit with the express delivery service by no later than

May 6, 1995. Applications may not be submitted by facsimile (FAX).

FOR A COPY OF THE APPLICATION PACKAGE,

CONTACT: The HUD Processing and Control Unit, Office of Community Planning and Development, U.S. Department of Housing and Urban Development, 451 Seventh Street SW., Room 7255, Washington, DC 20410. Requests for application packages for the current competition must be made in writing, but may be faxed to (202) 708-3363. (This is not a toll-free number.) Applicants are strongly encouraged to use the fax transmission method to request applications, as it promotes accurate information and expedites HUD's response time. Requests for application packages must include the applicant organization's name, contact person, mailing address, zip code, area code and telephone number, and must refer to "Youthbuild" document FR-3817. The Youthbuild application package contains appropriate instructions, forms and required certifications for completing a grant request. Requests for Youthbuild application packages for the current competition should be made immediately. HUD will distribute application packages as soon as they become available.

FOR FURTHER INFORMATION CONTACT: All procedural and substantive questions should be directed to the Office of Economic Development, Department of Housing and Urban Development, Room 7136, 451 Seventh Street SW., Washington DC 20410; telephone (202) 708-2035 or TDD (202) 708-1455 for the hearing impaired. These are not toll-free numbers.

SUPPLEMENTARY INFORMATION: The information collection requirements contained in this Notice have been approved under the Paperwork Reduction Act of 1980 (44 U.S.C. 3501-3520) by the Office of Management and Budget (OMB), and have been assigned OMB control number 2506-0142, expiration date August 31, 1996.

I. Program Purpose

The purposes of the Youthbuild program are (1) to provide economically disadvantaged young adults with opportunities to obtain education, employment skills and meaningful on-site work experience as a service to their communities and a means to achieve self-sufficiency; (2) to foster the development of leadership skills and commitment to community; and (3) to expand the supply of permanent affordable housing for homeless and low- and very low-income persons by providing planning grants for program

design and implementation grants for carrying out a Youthbuild Program.

A. Authority

The Youthbuild program is authorized under subtitle D of title IV of the Cranston-Gonzales National Affordable Housing Act (42 U.S.C. 8011) (the Act), as added by section 164 of the Housing and Community Development Act of 1992 (Pub. L. 102-550). Implementing Regulations are found in the Final Rule published elsewhere is today's **Federal Register**.

B. Funding Availability

This Notice announces the availability of approximately \$74.1 million in program funds. HUD intends to use approximately \$5 million of this amount for planning grants, with the remainder for implementation grants. Of the total amount of program funds, \$26.6 million was originally appropriated by the HUD appropriations act for Fiscal Year 1994 (Pub. L. 103-124, enacted October 28, 1993) and \$47.5 million was appropriated by the HUD appropriations act for Fiscal Year 1995 (Pub. L. 103-327, enacted September 28, 1994). The latter act merged these two appropriations. Any unobligated funds from previous competitions or additional funds that become available as a result of deobligations from previous awards may also be used to fund applications submitted in response to this NOFA. Five percent of each fiscal year's program funds may be set aside for emergency purposes.

HUD may use any of the above funds to correct procedural errors from the previous competition in the event that HUD determines that the correction of the errors would have meant that the applications should have been funded under that competition. This provision is restricted to applicants who filed an appeal based on a procedural scoring error, in writing, no later than November 7, 1994 (four months from the announcement of FY 93 awards), and for which HUD determines that there was a procedural error.

In addition to the above program funds, \$3.9 million is planned for technical assistance consistent with section 458(d) of the Act.

C. Objectives

The Youthbuild program is designed to help disadvantaged young adults who have dropped out of high school to 1) obtain the education and employment skills necessary to achieve economic self-sufficiency and 2) develop leadership skills and a commitment to community development in low-income

communities. Grant funds can be used to fund eligible educational and support services and activities, as defined by the Act, composed of basic skills instruction and remedial education, employment skills and leadership development, and counseling and other support services.

Another important objective of the Youthbuild program is to expand the supply of permanent affordable housing for homeless persons and members of low- and very low-income families. Giving disadvantaged young adults meaningful on-site training experiences in housing construction and rehabilitation enables them to provide a service to their communities by helping to meet the housing needs of homeless and low-income families.

An additional purpose of the program is to give, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, job training, employment, contracting and other economic opportunities to low-income persons and business concerns. To that purpose, section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) is applicable to Youthbuild implementation grant recipients.

II. Overview of Youthbuild Planning and Implementation Grants

A. Types of Grants

HUD will award Youthbuild planning grants to eligible applicants for the purpose of planning Youthbuild programs in accordance with subtitle D of title IV of the Cranston-Gonzales National Affordable Housing Act (NAHA). HUD will award Youthbuild implementation grants to eligible applicants for the purpose of carrying out Youthbuild programs in accordance with subtitle D. Applications will be selected in a competition in accordance with the grant selection process described in section V. below.

B. Maximum Awards

Under the competitions established by this NOFA, the maximum award for a Youthbuild planning grant is \$100,000 and the maximum award for a Youthbuild implementation grant is \$1,000,000. No amendments will be made to awards under this competition that will increase previously approved grant amounts.

C. Locational Considerations

(1) Planning grants: HUD will not approve multiple applications for planning grants in the same jurisdiction, unless HUD determines that the jurisdiction is sufficiently large to justify approval of more than one application.

(2) Implementation grants: Each application for an implementation grant may only include activities to carry out one Youthbuild program, i.e., to start a new Youthbuild program or to fund new classes of Youthbuild participants for an existing program. The same applicant organization may submit more than one application in the current competition if the proposed programs are in different jurisdictions. HUD will not approve multiple applications for implementation grants in the same jurisdiction unless HUD determines that the jurisdiction is sufficiently large to justify approval of more than one application.

D. Eligible Applicants

Eligible applicants are public or private nonprofit agencies, state or local housing agencies or authorities, states or units of general local government, Indian tribes or any other entity eligible to provide education and employment training under other Federal employment training programs, as further defined in 24 CFR 585.4.

E. Youthbuild Program Components

Youthbuild programs receiving assistance under this NOFA (for either program planning or implementation) must contain the three components described in items (1), (2) and (4) below. Other activities described in item (3) are optional.

(1) Educational and job training services.

(2) Leadership training, counseling and other support activities.

(3) Special activities such as entrepreneurial training, drivers' education, internships, programs for those with learning disabilities, and in-house staff training. (Optional)

(4) On-site training through actual housing rehabilitation and/or construction work. Each program must be structured so that 50 percent of each participant's time is spent in on-site training.

Refer to 24 CFR 585.3 for a detailed description of program components.

F. Eligible Participants

All participants in a Youthbuild program must be very low-income high school dropouts between the ages of 16 and 24, inclusive, at the time of enrollment. Up to 25 percent of participants may be above very low-income or high school graduates (or equivalent), but must have educational needs that justify their participation in the program.

G. Eligible Activities

(1) Planning grant activities used to develop a Youthbuild program may include:

- (a) feasibility studies and research;
- (b) establishment of a consortium of public and private participants, including service providers, housing developers, labor unions, etc.;
- (c) identification of housing sites and arrangements for participants to have access;
- (d) preliminary architectural and engineering work and cost estimates;
- (e) the development of the educational, training, leadership development, counseling and other support service components of a Youthbuild program, including the staffing requirements;
- (f) the preparation of an implementation grant application; and
- (g) administrative costs. Youthbuild funds for these costs may not exceed 15 percent of the total amount of Youthbuild assistance.

Refer to 24 CFR 585.205 for further details on eligible planning activities.

(2) Implementation grant activities used to conduct a Youthbuild program may include:

- (a) work and activities associated with the acquisition, rehabilitation, or construction of the housing and related facilities to be used in the program;
- (b) relocation payments and other assistance required to comply with 24 CFR 585.308.
- (c) costs for the ongoing training and technical assistance needs of the applicant that are related to carrying out a Youthbuild program.
- (d) education, job training, counseling, employment and leadership development services and activities;
- (e) wages, benefits and need-based stipends for participants; and
- (f) administrative costs. Youthbuild funds for these costs may not exceed 15 percent of the total amount of Youthbuild assistance.

Refer to 24 CFR 585.305 for further details on eligible implementation activities.

H. Resources from Other Federal, State, Local or Private Entities

Applicants are encouraged to use existing housing and homeless assistance programs administered by HUD or other Federal, State, local or private housing programs as part of their Youthbuild programs. Use of other Federal, State, local or private funds available for vocational, adult and bilingual education programs or for job training under the JTPA Act and the Family Support Act of 1988 is also

encouraged. The selection process described in this NOFA provides for applicants to receive points where grant applications contain evidence of interest (for planning applications) or commitments (for implementation applications) from Federal, State, local, or private sources to provide resources to carry out Youthbuild activities.

I. Environmental Procedures and Standards

Implementation grant applicants are encouraged to select hazard-free and problem-free properties for their Youthbuild projects. Environmental procedures apply to HUD approval of implementation grants when the applicant proposes to use Youthbuild funds to cover any costs for the lease, acquisition, rehabilitation, or new construction of real property proposed for housing project development. Environmental procedures do not apply to HUD approval of implementation applications when applicants propose to use their Youthbuild funds solely to cover any costs for classroom and/or on-the-job construction training and support services.

For those implementation grant applicants that propose to use their Youthbuild funds to cover any costs of the lease, acquisition, rehabilitation, or new construction of real property, the applicant shall submit all relevant environmental information in its application to support HUD decision-making in accordance with the environmental procedures and standards set forth in 24 CFR 585.307.

J. Grant Periods

Funds awarded for a planning grant should be used within 12 months of the effective date of the planning grant agreement. Funds awarded for an implementation grant should be used within 30 months of the effective date of the implementation grant agreement.

III. Selection Criteria for Youthbuild Applications

HUD will review each application for a planning or an implementation grant and assign points in accordance with the selection criteria described in this section. Where there are differences between the criteria for planning and implementation applications, they are so noted. Each application will be assigned up to 100 points. In addition, applications may receive up to 5 bonus points for AmeriCorps participation (see section F below), and implementation applications may receive an additional 10 housing priority points (see section G below).

A. Capability: the qualifications, experience, or potential capabilities of the applicant and participating parties. (Maximum Points: 25) The capability of the applicant and participating parties to plan or implement a successful young adult education and training program within a reasonable time period, within budget, and in an effective manner as demonstrated through past performance. In assigning points for this criterion, HUD will consider evidence in the application that demonstrates:

(1) Young adult education and training experience: The past performance and experience of the applicant entity or other participating parties (applicant's partner, member of local Youthbuild consortium, or other entity participating in the program) in planning or implementing young adult education and training programs, including programs for low-income persons from economically distressed neighborhoods, or an explanation of how such capability will be obtained.

(2) Young adult leadership development experience: The past experience of the applicant entity or other participating party in providing leadership development training and activities for young adults, or an explanation of how such capability will be obtained.

(3) Housing experience: The knowledge, experience, and performance of the applicant entity or other participating parties in producing sound and affordable housing for the homeless and low-income families, or an explanation of how such knowledge and experience will be obtained.

B. Need: the need for the proposed program, as determined by the degree of distress of the community. (Maximum Points: 20) In assigning points for this criterion, HUD will consider the relative degree of distress of the jurisdiction(s) from which participants will be recruited and in which the housing will be constructed or rehabilitated. HUD will calculate the degree of need of the jurisdiction(s) in which the program will be located from generally available data. In addition, HUD will consider information provided by the applicant on the distress of target areas within the jurisdiction(s).

C. Program Quality and Feasibility: comprehensiveness and effectiveness of the proposed Youthbuild program. (Maximum Points: 35) HUD will consider the overall quality and feasibility of the proposed program as measured by the principles and goals of the proposed program, whether proposed program activities meet the overall objectives of the Youthbuild program, whether the proposed program

activities will be accomplished within a reasonable time and at reasonable expense, whether the proposed program activities are comprehensive and integrated, and the potential success of the proposed program. Planning applications will be evaluated by the extent to which the applicant describes a strategy for developing plans. Implementation applications will be evaluated by the actual plan. Areas to be considered in this evaluation are:

(1) Outreach, recruitment and selection activities: A description of the proposed (a) outreach, recruitment (including specific steps to be taken to attract potential eligible participants who are unlikely to be aware of this program because of race, ethnicity, sex, or disability) and selection strategies; (b) special outreach efforts to recruit eligible young women and young women with dependent children; and (c) recruitment arrangements made with public agencies, courts, homeless shelters, local school systems, community-based organizations, etc.;

(2) Educational and job training services and activities: A description of the educational component of the program, including: (a) the types of instructional services to be provided; (b) the number and qualifications of program instructors and ratio of instructors to participants; (c) realistic scheduling plan for classroom and on-the-job training; and (d) reasonable payments of participant wages, stipends, and incentives.

(3) Leadership development and support services: A description of the leadership development, counseling, and referral services to be offered to participants, including: (a) leadership development strategies and activities and plans to build group cohesion and peer support; and (b) the type of counseling and support services and/or need-based stipends to be provided.

(4) Coordination: A description of how the Youthbuild program will make use of ongoing Federal, State, Indian tribe, local, private and community-based services and activities associated with (a) educational, job training, child care, social services, counseling and referral services; (b) homeless and housing programs; and (c) apprenticeship programs of local building trade unions.

(5) On-site training: A description of (a) the housing construction or rehabilitation activities to be undertaken by participants at the site(s) to be used for the on-site training component of the program, (b) the qualifications and number of on-site supervisors; and (c) the amounts, reasonable wages and/or

stipends to be paid to participants during on-site work.

(6) Job placement assistance: A description of the applicant's strategies and procedures for (a) participant placement in meaningful employment, enrollment in post-secondary education programs, job development, starting business enterprises, or other opportunities leading to economic independence; and (b) follow-up assistance and support activities to program graduates.

(7) Program evaluation: A description of a comprehensive evaluation plan that is designed to measure the success of the program.

D. Program Resources: expressions of interest (for planning applications) or commitment of resources (for implementation applications) obtained from other Federal, State, local and private sources. (Maximum Points: 10) In assigning points for this criterion, HUD will consider the extent of interest or level of resources obtained for cash or in-kind contributions to cover the following kinds of areas:

- (1) social services (i.e., counseling and training);
- (2) use of existing vocational, adult, bilingual educational courses;
- (3) use of housing stock and/or housing funds available through existing public or private programs;
- (4) construction and/or rehabilitation loans, grants, or interest rate subsidies;
- (5) donation of labor, resource personnel, supplies, materials, classroom and/or meeting space;
- (6) architectural and engineering work;
- (7) public improvements, tax abatements, or other commitments.

E. Empowerment Zone/Enterprise Community: Up to 10 points will be assigned if the proposed Youthbuild program's participant recruitment and housing areas are, in whole or in part, in a Federally designated urban or rural Empowerment Zone, Enterprise Community, or Supplemental Empowerment Zone, as selected by HUD.

F. AmeriCorps Participation Bonus: Up to 5 points may be assigned to Youthbuild applicants who provide evidence of application and/or selection as an AmeriCorps program sponsor.

G. Implementation Applications Only: Housing Program Priority Points: 10 priority points will be assigned to all implementation applications that contain evidence that housing funds from other Federal, state, local or private sources are available to cover the costs, in full, for the following housing activities for the proposed Youthbuild program: acquisition, architectural and

engineering fees, construction, and rehabilitation. Implementation applications proposing to use Youthbuild grant funds, in whole or in part, for any one of the housing activities listed above will not be entitled to the ten priority points.

IV. Application Requirements

Applicants must complete and submit applications for Youthbuild grants in accordance with instructions contained in the FY 1995 Youthbuild application package. The application package will request information in sufficient detail for HUD to determine whether the proposed activities are feasible and meet all the requirements of applicable statutes and regulations. In some cases, different information is needed for planning applications than for implementation applications. The application package requires a description of the applicant's and participating parties' experiences in young adult and housing programs, a description of the proposed Youthbuild program, a description of other public and private resources to be used for the program, including other housing resources, a schedule for the program, budgets, identification of housing sites(s), and demonstration of site access. The application package also contains certifications that the applicant will comply with fair housing and civil rights requirements, program regulations, regulations in 24 CFR part 135 with regard to economic opportunities for low-income persons and business concerns, and other Federal requirements. Applicants must also certify that the proposed activities are consistent with the HUD-approved Consolidated Plan in accordance with 24 CFR part 91. Applicants should refer to the Youthbuild application package for further instructions.

V. Selection Process

In order to afford applicants every opportunity to submit a ratable application, while at the same time ensuring the fairness and integrity of the selection process, HUD is adopting the following application submission and selection procedures:

A. Initial Screening: During the period immediately following the application deadline, HUD will screen each application to determine eligibility. Applications will be rejected if they (1) are submitted by ineligible applicants, (2) do not use the current FY 95 application package, (3) propose a program for which significant activities are ineligible, (4) there are any outstanding findings of noncompliance with civil rights statutes, Executive

Orders, or regulations, as a result of formal administrative proceedings, or the Secretary has issued a charge against the applicant under the Fair Housing Act, unless the applicant is operating under a conciliation or compliance agreement designed to correct the areas of noncompliance, and (5) are submitted by applicants that have major unresolved audit or monitoring findings.

B. Rating and Ranking: Each eligible application will be rated based upon the criteria described in section III of this NOFA, with a maximum of 105 points assigned for planning applications and 115 points assigned for implementation applications. Using the scores assigned, the applications will be placed in rank order, with separate rankings for planning and implementation applications. Applications will be preliminarily selected for funding in accordance with their rank order. To promote national geographic diversity, HUD reserves the right to select lower-rated applications if necessary or to limit the amount or number of awards per jurisdiction or State.

If two or more applications have the same score and there are insufficient funds to fund all of them, the application(s) with the highest score for the Program Quality and Feasibility criterion shall be selected for funding. If a tie still remains, the application(s) with the highest score for the Capability criterion shall be selected. In the event of a procedural error that, when corrected, would result in selection of an otherwise eligible applicant during the funding round under this NOFA, HUD may select that application when sufficient funds become available.

C. Clarification of Application Information: In accordance with the provisions of 24 CFR part 4, subpart B, HUD may contact an applicant to seek clarification of an item in the application, or to request additional or missing information, but the clarification or the request for additional or missing information shall not relate to items that would improve the substantive quality of the application pertinent to the funding decision. For the Youthbuild program, these clarification items include, but are not limited to: (a) missing or unsigned program certifications, and (b) budget errors or inconsistencies. For implementation applications only, these clarification items also include: (c) failure to identify the address or equivalent property site identification for the housing project(s) to be used for the on-site training; (d) incomplete documentation to show that the applicant has obtained access to the

housing site(s) if the applicant does not own it; (e) failure to structure the proposed program so that fifty percent of the time spent by program participants is devoted to educational and support services and activities and fifty percent to on-site training; (f) failure to target the outreach and recruitment efforts to disadvantaged young adults between the ages of 16 and 24 years old; and (g) failure to designate the housing to be produced in conjunction with the program for the use of the homeless and low- and very low-income families. If an applicant fails to provide the clarification as requested, the application may be rejected.

D. Potential Environmental Disqualification: HUD reserves the right to disqualify an implementation application where one or more environmental thresholds are exceeded if it is determined that the environmental review cannot be conducted and satisfactorily completed by HUD within the HUD review period. (See 24 CFR 585.307.)

E. Reduction in Requested Grant Amount: HUD will approve an application for an amount lower than the amount requested by the applicant or adjust line items in the proposed grant budget within the amount requested (or both) if it determines that:

(1) the amount requested for one or more eligible activities is not supported in the application or is unreasonably related to the service or activity to be carried out;

(2) an activity proposed for funding does not qualify as an eligible activity and can be separated in the budget;

(3) the amount requested exceeds the total cost limitation established for a planning or implementation grant; or

(4) insufficient funds remain for the entire request.

F. Notification of Approval or Disapproval: HUD will notify the selected applicants and the applicants that have not been selected. HUD's notification to a selected applicant of the amount of the grant award, based on the approved application, will constitute a preliminary approval by HUD, subject to HUD and recipient execution of the grant agreement to initiate program activities.

VI. Other Matters

A. Environmental Impact

A Finding of No Significant Impact with respect to the environment has been made in accordance with HUD regulations at 24 CFR part 50, which implement section 102(2)(C) of the National Environmental Policy Act of

1969 (42 U.S.C. 4332). The Finding is available for public inspection between 7:30 a.m. and 5:30 p.m. weekdays in the Office of the Rules Docket Clerk, Office of the General Counsel, Department of Housing and Urban Development, Room 10276, 451 Seventh Street, SW, Washington, DC 20410.

B. Family Executive Order

The General Counsel, as the Designated Official under Executive Order 12606, *The Family*, has determined that some of the policies contained in this NOFA will have a potential significant impact on the formation, maintenance, and general well-being of the family. The expected expansion of the housing supply for homeless and low- and very low-income persons and the provision of opportunities to economically disadvantaged young adults to enhance their education and employment skills will provide a positive impact on the family maintenance and general well-being. However, since the impact on the family is beneficial and the program involves very little HUD discretion, no further review is necessary.

C. Federalism Executive Order

The General Counsel, as the Designated Official under section 6(a) of the Executive Order 12612, *Federalism*, has determined that the policies contained in this NOFA do not have "Federalism" implications because they do not have substantial direct effects on the States (including their political subdivisions), or on the distribution of power and responsibilities among the various levels of government.

D. Section 102 of the HUD Reform Act—*Accountability in the Provision of HUD Assistance.*

1. Documentation and Public Access

HUD will ensure that documentation and other information regarding each application submitted pursuant to this NOFA are sufficient to indicate the basis upon which assistance was provided or denied. This material, including any letters of support, will be made available for public inspection for a five year period beginning not less than thirty days after the award for assistance. Material will be made available in accordance with the Freedom of Information Act (5 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15. In addition, HUD will include the recipients of assistance pursuant to this NOFA in its quarterly **Federal Register** notice of all recipients of HUD assistance awarded on a competitive

basis. (See 24 CFR part 12, subpart B, and the notice published in the **Federal Register** on January 16, 1992 (57 FR 1942) for further information on these requirements.)

2. Disclosures

HUD will make available to the public for five years all applicant disclosure reports (form HUD-2880) submitted in connection with this NOFA. Update reports (also form HUD-2880) will be made available along with the applicants disclosure reports, but in no case for a period of less than three years. All reports—both applicant disclosures and updates—will be made available in accordance with the Freedom of Information Act (95 U.S.C. 552) and HUD's implementing regulations at 24 CFR part 15. (See 24 CFR part 12, subpart C, and the notice published in the **Federal Register** on January 16, 1992 (57 FR 1942) for further information on disclosure requirements.)

E. Section 103 of the HUD Reform Act—*Prohibition of Advance Disclosures of Funding Decisions.*

HUD's regulation implementing section 103 of the Reform Act was published on May 13, 1991 (56 FR 22088) and became effective on June 12, 1991. That regulation, codified as 24 CFR part 4, applies to the funding competition announced today. The requirements of the rule continue to apply until the announcement of the selection of successful applicants. Also, refer to (58 FR 61016), a final rule amending part 4 regarding the regulations of certain conduct by HUD employees and by applicants for HUD assistance during the selection process for the award of financial assistance by HUD.

Applicants who have questions should contact the HUD Office of Ethics (202) 708-3815 or TDD (202) 708-1455 for the hearing-impaired. (These are not toll-free numbers.) The Office of Ethics can provide information of a general nature to HUD employees, as well.

F. Section 112 of the HUD Reform Act

Section 13 of the Department of Housing and Urban Development Act (section 112 of the Reform Act) contains two provisions dealing with efforts to influence HUD's decisions with respect to financial assistance. The first imposes disclosure requirements on those who are typically involved in these efforts—those who pay others to influence the award of assistance or the taking of a management action by the Department and those who are paid to provide the influence. The second restricts the

payment of fees to those who are paid to influence the award of HUD assistance, if the fees are tied to the number of housing units received or are based on the amount of assistance received, or if they are contingent upon the receipt of assistance.

Section 13 was implemented by final rule published in the **Federal Register** on May 17, 1991 (56 FR 22912), and is codified as 24 CFR part 86. If readers are involved in any efforts to influence the Department in these ways, they are urged to read the final rule, particularly the examples contained in Appendix A of the rule.

Any questions regarding the rule should be directed to: Acting Director, Office of Ethics, room 2158, Department of Housing and Urban Development, 451 Seventh Street, S.W., Washington, D.C. 20410. Telephone: (202) 708-3815; TDD: (202) 708-1455. (These are not toll-free numbers.) Forms necessary for compliance with the rule may be obtained from the local HUD Office.

G. Prohibition Against Lobbying Activities.

The use of funds awarded under this NOFA is subject to the disclosure requirements and prohibitions of section 319 of the Department of Interior and Related Agencies Appropriations

Act for Fiscal Year 1990 (31 U.S.C. 1352) and the implementing regulations at 24 CFR part 87. These authorities prohibit recipients of Federal contracts, grants, or loans from using appropriated funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan. The prohibition also covers the awarding of contracts, grants, cooperative agreements, or loans unless the recipient has made an acceptable certification regarding lobbying. Under 24 CFR part 87 and 7 CFR part 1944, Subpart G, applicants, recipients, and subrecipients of assistance exceeding \$100,000 must certify that no Federal funds have been or will be spent on lobbying activities in connection with the assistance.

Indian Housing Authorities (IHAs) established by an Indian tribe as a result of the exercise of the tribe's sovereign power are excluded from coverage of the Byrd Amendment, but IHAs established under State law are not excluded from the statute's coverage.

Required Reporting

A certification is required at the time application for funds is made that Federally appropriated funds are not being or have not been used in violation

of section 319 and the *disclosure* will be made of payments for lobbying with other than federally appropriated funds. Also, there is a standard disclosure form, SF-LLL, "Disclosure Form to Report Lobbying", which must be used to disclose lobbying with other than Federally appropriated funds at the time of application.

H. Drug-Free Workplace.

The Drug-Free Workplace Act of 1988 (41 U.S.C. 701) requires grantees of Federal agencies to certify that they will provide drug-free workplaces. Each potential recipient under this NOFA must certify that it will comply with the drug-free workplace requirements of the Drug-Free Workplace Act of 1988 and HUD's implementing regulations at 24 CFR part 24, subpart F.

I. Catalog of Federal Domestic Assistance

The Catalog of Federal Domestic Assistance program title and number is 14.243.

Authority: 42 U.S.C. 8011; Pub.L. 102-550.

Dated: February 7, 1995.

Andrew Cuomo,

Assistant Secretary for Community Planning and Development.

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